



Brief Summary of Recommendations of IOM Report on General Medical Education
From the AMA

Specifically, the report makes the following five recommendations to transform GME financing and government:

1. Maintain current Medicare GME funding over the next ten years
 - While overall GME funding would not be decreased, the expenditures would be split into two separate funds (described in more detail in recommendation three). As a result, while the total funding for GME activities would remain the same during this ten-year period, the amounts dedicated directly to reimbursing residency training would be diminished and diverted to fund research and the testing of alternative GME funding options.
2. Build a GME policy and financing infrastructure
 - Create a multi-stakeholder **GME Policy Council** in the U.S. Department of Health and Human Services to develop a strategic plan for Medicare GME financing, research sufficiency of workforce, geographic, or specialty issues, develop future federal policies, and provide annual progress reports on the state of GME.
 - Create a **GME Center** within the Centers for Medicare & Medicaid Services to manage the operational aspects of GME funding and collect and report on data to ensure transparency in the use of those funds.
3. Create one Medicare GME fund with two subsidiary funds
 - An **Operational Fund** to distribute funds for residency training positions that are currently approved and funded.
 - A **Transformation Fund** to finance initiatives to develop and evaluate innovative GME programs, alternative payment methods, and award new positions in priority areas, among other opportunities.
 - Initially 10 percent of total GME funding would be allocated to the Transformation Fund, moving up to 30 percent over approximately three years, and returning to the 10 percent allocation after ten years. The Transformation Fund could be used to support new residency programs but could also be used to establish the new GME financing infrastructure, to conduct research, and other activities not directly related to residency training costs.

4. Modernize the GME payment methodology by using one payment (combining indirect and direct GME payments) based on a national per-resident amount. Payments would eventually be moved to a performance-based system, using insight from the Transformation Fund pilot studies.
 - The report includes examples of potential pilot studies but does not provide an explicit recommendation for what the performance-based system will ultimately entail, the potential impact on funding, or any change in the number of residency positions.
5. Ensure the same level of transparency and accountability in Medicaid GME funding as proposed for the Medicare program.

Overall, the report proposes to overhaul the GME payment system but does not define what a performance-based system will include, leaving this work to be developed by activities supported by the Transformation Fund. It also fails to address the role of other payers, including private payers, local communities, and other stakeholders but maintains Medicare as the primary source for GME funding. The report also contains some troubling conclusions, including a statement that it found no “credible evidence” to support claims of a looming physician shortage despite medical students the growing demand for physicians due to newly insured patients and an aging population.